



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

June 9, 2014

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 204268

RE: Cameron LNG, LLC and Cameron Interstate Pipeline
Final Environmental Impact Statement (FEIS)

Dear Ms. Bose:

In accordance with our responsibilities under Section 309 of the Clean Air Act (CAA), the National Environmental Policy Act (NEPA), and the Council on Environmental Quality (CEQ) regulations for implementing NEPA, the U.S. Environmental Protection Agency (EPA) Region 6 office in Dallas, Texas, has completed our review of the Final Environmental Impact Statement (FEIS) prepared by the Federal Energy Regulatory Commission (FERC) for the Cameron Liquefaction Project (Project), proposed by Cameron LNG, LLC and Cameron Interstate Pipeline, LLC (collectively Cameron). Cameron requests authorization to export 12 million tons of liquefied natural gas (LNG) per year from its terminal in Cameron and Calcasieu Parishes, Louisiana.

EPA provided comments on the Draft Environmental Impact Statement (DEIS) dated March 3, 2014, in which the DEIS was rated as "EC-2", i.e., "Environmental Concerns – And Requests Additional Information". EPA is pleased that the FEIS included additional analysis of the proposed action to address some of these concerns. However, we have additional remaining concerns related to the analysis of indirect impacts and greenhouse gas emissions associated with the production of natural gas and environmental justice issues in close proximity to the project components.

Indirect Effects

In our comments on the DEIS, we suggested that FERC consider the potential for increased natural gas production as a result of the proposed export terminal and the potential for environmental impacts associated with these potential increases. Both FERC and DOE have recognized that an increase in natural gas exports will result in increased production [1]. However, in the Final EIS, FERC concludes that the nature of natural gas supply and pipeline system in the U.S. makes it difficult to predict accurately where the additional gas development activity will occur and thus concluded that it is not feasible to more specifically evaluate localized environmental impacts. Since the preparation of the DEIS, DOE has released a draft study by the National Energy Technology Laboratory (NETL), entitled "Draft Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States [2]," which is currently out for public comment. Although the Draft Addendum was just released and EPA has

[1] Effect of Increased Natural Gas Exports on Domestic Energy Markets, as requested by the Office of Fossil Energy. US Energy Information Administration. January 2012 (http://energy.gov/sites/prod/files/2013/04/f0/fe_eia_lng.pdf) and Cameron LNG EIS, Appendix L (Response to Comments), p. L-36 (<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13530753>)

[2] Draft Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States. DOE. (http://energy.gov/sites/prod/files/2014/05/f16/Addendum_0.pdf)

not had the opportunity to do a thorough review, we note that NETL recognizes that many of the potential impacts will vary considerably by location where the production occurs due to differences in hydrology, geology, ecology, air quality, regulatory structure and other factors. Nonetheless, the Addendum provides the kind of conceptual level analysis of the types of impacts that are likely to occur from increased production that EPA recommended. We recommend that this study be considered as part of the decision making for this project and incorporated by reference in the NEPA analyses for future LNG export terminal proposals.

Greenhouse Gas Emissions

There are greenhouse gas (GHG) emissions associated with the production, transport, and combustion of the natural gas proposed to be exported by the project. The Final EIS contains helpful discussion of the GHG emissions associated with construction of the project, and annual emissions from the operation of the liquefaction facility. Since issuance of the DEIS for this project, DOE has issued two documents that are helpful in assessing the GHG emissions implications of the project. They are the Draft Addendum mentioned above, and NETL's recent report, entitled "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States, [3]" also out for public comment. Although EPA has not reviewed these reports in detail, they appear to provide a helpful overview of GHG emissions from all stages of a project, from production through transmission and combustion. The GHG report also includes comparative analysis of GHG emissions associated with other domestic fuel sources and LNG exports as they relate to other possible fuel sources in receiving regions. This information is helpful to decision makers in reviewing the foreseeable GHG emissions associated with the increased production of natural gas and the export of LNG and how they compare to other possible fuels. We recommend that both DOE reports be considered as part of the decision making process for this project and incorporated by reference in the NEPA analyses for future LNG export terminal proposals. FERC may also want to consider adapting this analysis to more specifically consider the GHG implications of this project, in response to EPA's comments about evaluating the lifecycle GHG implications of the project.

Environmental Justice

The FEIS does not adequately address the environmental justice comments we provided on the DEIS. FERC did not act on EPA's recommendation to compare the demographics of the project area to the demographics of surrounding Parishes. In response to EPA comments, Parish-level minority and low income percentages are presented in Appendix L. However, merely stating that Cameron, Calcasieu, and Beauregard Parishes have low percentages of minority or low income populations does not adequately describe the residents who live in close proximity to the project components (i.e., pipeline route, terminal/compressor locations, etc.). We believe that evaluating the population in close proximity to the project components is a more appropriate approach to determine whether disproportionate impacts to low income or minority communities may occur as a result of the siting of the project. We recommend you consider this issue as part of the decision making for this project.

^[3] Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States. DOE/NETL-2014/1649 (<http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>)

EPA appreciates the opportunity to review the FEIS. If you have any questions or concerns, please contact me by phone at (214) 665-7505 or Michael Jansky of my staff at (214) 665-7451 or via email at weeks.craig@epa.gov or jansky.michael@epa.gov, respectively, for assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Weeks", with a long horizontal flourish extending to the right.

Craig Weeks
Acting Chief, Office of Planning and
Coordination